
Introduced by Senator Dutton

February 10, 2005

An act to amend Section 6051.45 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 213, as introduced, Dutton. Sales and use taxes: rates.

The Sales and Use Tax Law provides for the levy of a state sales and use tax basic rate of 6% upon the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law imposes, as a component of that basic rate, a state sales and use tax at a rate of $\frac{1}{4}\%$, but suspends the imposition of that $\frac{1}{4}\%$ rate for any calendar year, beginning January 1, 2002, in which the Director of Finance determines on or before the preceding November 1 that the General Fund reserve is 3% of revenues, excluding the revenues derived from the $\frac{1}{4}\%$ sales and use tax rate, and that actual General Fund revenues for the period May 1 through September 30 equal or exceed the May Revision forecast prior to the November 1 determination.

This bill would make technical, nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 6051.45 of the Revenue and Taxation
- 2 Code is amended to read:
- 3 6051.45. Notwithstanding 6051.4 or any other provision of
- 4 law, the state sales tax rate in Section 6051.3 shall not be

1 operative in any calendar year beginning on or after January 1,
2 2002, if the Director of Finance determines both of the following:

3 (a) The General Fund reserve is 3 percent of revenues,
4 excluding the revenues derived from the $\frac{1}{4}$ cent sales and use tax
5 rate.

6 (b) Actual General Fund revenues for the period May 1
7 ~~through~~ to September 30, *inclusive*, equal or exceed the May
8 Revision forecast, prior to the November 1 determination.

9 The Director of Finance shall make the determination on or
10 before November 1 of each year.

11 The $\frac{1}{4}$ cent reduction shall be operative for each calendar year
12 commencing on the next January 1 after the determination is
13 made.